

OFFICE OF THE
**LEGISLATIVE
FISCAL
ANALYST**

JONATHAN C. BALL
DIRECTOR

MEMORANDUM FOR EXECUTIVE APPROPRIATIONS COMMITTEE

FROM: Steven Allred, Deputy Fiscal Analyst
DATE: December 10, 2019
SUBJECT: Washington County Real Property Transfer

During your December 13, 2019 meeting, the Division of Facilities and Construction Management (DFCM) will present a proposal to transfer division-owned real property to Washington County at less than fair market value.

UCA 63A-5a-201(2) states, "The division may not effect a transfer of ownership or lease of vacant division-owned property without receiving fair market value in return unless:

- (a) the director determines that the transfer of ownership or lease is in the best interests of the state;
- (b) for a proposed transfer of ownership or lease to a local government entity, public purpose nonprofit entity, or private party, the director determines that the local government entity, public purpose nonprofit entity, or private party intends to use the property to fulfill a public purpose;
- (c) the director requests and receives a recommendation on the proposed transfer of ownership or lease from the Legislative Executive Appropriations Committee;
- (d) the director communicates the Executive Appropriations Committee's recommendation to the executive director; and
- (e) the executive director approves the transfer of ownership or lease."

DFCM provided the following background information.

RE: State owned property consisting of an 8,223 square foot building on 2.73 acres located at 251 East 200 North, St. George, Utah

Earlier this year the Department of Human Services, Division of Juvenile Justice Services (JJS) reached out to the Division of Facilities Construction and Management (DFCM) regarding a State-owned facility they occupy, located at 251 East 200 North in St. George, Utah. This JJS detention facility consists of an 8,223 square foot building on 2.73 acres of land. There is a significant hillside slope on the backside of the property (exhibit attached).

Human Services indicated that they no longer needed to operate this detention facility and requested that the property be designated as surplus.

UTAH STATE CAPITOL COMPLEX
HOUSE BUILDING, SUITE W310
P.O. BOX 145310
SALT LAKE CITY, UTAH

PHONE: (801) 538-1034
FAX: (801) 538-1692

WEBSITE:
WWW.LE.UTAH.GOV/LEA



An independent MAI property appraisal was requested by DFCM to determine the property value. The appraisal report was completed in July 2019 with the appraised value coming in at one million (\$1,000,000.00) dollars.

A DFCM Request for Proposal (RFP) was created and posted to the public on the division's website for over 90 days. The minimum offering price was set at one million (\$1,000,000.00) dollars or Best Offer, sold "AS IS". DFCM reserves the right to accept or reject any and all offers.

DFCM received one offer from Washington County. Washington County's interest in the property is to create a standardized drug testing center and a high-risk supervision program through law enforcement.

Washington County's proposal noted that back in May 1993 the County Commission agreed to deed transfer the same land to the State of Utah in the amount of ten (\$10.00) dollars for the Juvenile Detention Center operated by JJS. The Washington County offer to the current RFP is in the amount of twenty (\$20.00) dollars. The County agrees to revert the transfer of property back to the State if the county no longer uses the building for the intended purpose.

DFCM requests recommendation on the proposed transfer of State of Utah owned property consisting of 8,223 square foot building on 2.73 acres of land located at 251 East 200 North, St. George, Utah to Washington County from the Legislative Executive Appropriations Committee.



Aerial Photo

